

Power Transition: The U.S. vs. China in Latin America

Until now, both Chinese and American officials deny that they are competing for influence in Latin America. But that is what it looks like.

“The dragon and the gringo,” *The Economist*, Jan. 15, 2015.

Antonio C. Hsiang¹

Abstract: Based on Power Transition Theory, the paper investigates how China competes with the US in Latin America. The paper divided into four main sections.

The first section reviews why the U.S. has tried hard to prevent Latin America and the Caribbean from developing relations with China. It also explains why Secretary of State John Kerry announced “The era of the Monroe Doctrine is over” in November 2013.

The second part discusses China’s expansion in Latin America. The more states that trade with China, the more likely they are to converge with it on issues of foreign policy. Consequently, the US, whose foreign policy preferences have diverged from those of China, may find it harder to attract allies in Latin America.

The third part explores how Latin America has become more assertive. It also examines how such acquiescence increases the responsibility of those states to think carefully about what kind of relationship with China is in their interest, and that of the region.

The last section concludes the article and provides policy implications for the US, China, and Latin America.

Keywords: US, China, Latin America, Power Transition

I. Introduction

September 2015 marked the ten-year anniversary of two highly influential documents in framing contemporary US-China relations: an essay by Zheng Bijian in *Foreign Affairs* explaining how China would achieve a “peaceful rise,” and a speech by Robert Zoellick advising China to serve as a “responsible stakeholder” in the evolution of world order.

In the former, Zheng concludes that China does not seek hegemony or predominance in world affairs. It advocates a new international political and economic order, one that can be achieved through incremental reforms and the democratization of international relations. China’s development depends on world peace—a peace that its development will in turn reinforce (Zheng, 2005). In the latter, a speech given to the National Committee on US-China Relations on September 21, 2005, Zoellick not only introduced the notion of China as a “responsible stakeholder” in the international community but sought to allay fears in the US of ceding dominance to China. A decade later, Nobel laureate Joseph E. Stiglitz warns,

¹ Antonio C. Hsiang is Professor and Director of the Center for Latin American Economy and Trade Studies, Chihlee University of Technology, Taiwan. E-mail: ahsiang1@ms39.hinet.net

“China has just overtaken the United States as the world’s largest economy. This is, and should be, a wake-up call—but not the kind most Americans might imagine” (Stiglitz, 2015).

Coincidentally, also in September 2015, China’s President Xi Jinping paid his first state visit to the United States and attended events in New York commemorating the 70th anniversary of the founding of the United Nations. From an international perspective, Xi’s speech at the United Nations Sustainable Development Summit may be categorized as another important document. He pointed out,

We need to ensure equitable development to make access to development more equal. Countries may differ in capacity for and achievement in development, but they have common yet differentiated responsibilities with shared objectives (Xinhuan, 2015).

It not only clearly reflected Xi’s “Chinese Dream” and its realization will be highly related to the triangular relations among China, the U.S., and Latin America.

As the world’s largest economy (measured in terms of purchasing power), China is still miles away from matching America’s international political reach. But America’s own ability and willingness to sustain its role as global hegemon is open to question (Financial Times). Until now, “both Chinese and American officials deny that they are competing for influence in Latin America. But that is what it looks like” (The Economist, 2015).

Historically, “globalization has needed a hegemon. However, America seems to be retreating from that role and China is not yet ready for it” (The Economist, 2013). It is true that, “in the post-9/11 world, forging a successful grand strategy is unlikely and dangerous” (Zegart, 2014). In fact, “relabeling relations between China and America has not resolved an underlying tension.” For instance, speaking on a visit to Washington on September 20, 2013, Chinese Foreign Minister Wang Yi referred to a study of 15 different countries. In 11 cases “confrontation and war have broken out between the emerging and established power” (The Economist, 2014). So the stakes are high when Chinese leaders speak of their hopes for a “new type of great-power relations,” defined as “no conflict or confrontation, mutual respect, and win-win cooperation” (The Economist, 2013). However, for Yan Xuetong, this new type of great-power relations may not be established in 2015 (China Review News Agency, 2015).

Based on Power Transition Theory, this paper is divided into six sections. The second part reviews related literatures. The third section explains how the Monroe Doctrine came to an

end. The fourth part investigates China's expansion in America's backyard. The fifth section shows transformation of Latin America's more assertive foreign policies. The final part concludes the article and provides some implications.

II. Literature Review

I choose Power Transition Theory as an analytical framework because an important extension of the theory by Douglas Lemke demonstrates that the same principles that hold true among the major powers at the global level also hold true among regional leaders. Lemke's contribution is essential because he shows that severe conflicts of all types follow conditions of power parity. His empirical tests, based on very diverse regions of Latin America, the Middle East and Africa, demonstrate that the same conditions that lead to major confrontations among the largest nations in the international system hold true for major competitors in key regions (Lemke, 2002).

The United States and China are locked in a long-term competition for economic primacy. China, the smaller challenger, is growing at a much faster rate than the more mature economy of the United States. This dynamic change is generating the conditions for an overtaking in the future, anticipated to be between 2025 and 2035. The key question from a parity perspective is not whether China will be the dominant nation in world politics by the end of the century, but whether a dominant China would openly challenge the existing international regimes or join and lead the pre-existing international community (Tammen and Kugler, 2006).

Under power transition or power parity, relative power equilibrium increases the probability of war (Organski and Kugler, 1980). Shi Yinhong, professor of Renmin University in Beijing, said in 2009 that he was sure that China could rise peacefully. In 2014, he was not so sure (The Economist, 2014). This section reviews the literature of Power Transition Theory mainly on national power, level of satisfaction, and utility of alliance.

1. National Power

A key assumption of Power Transition is that of the three key components of national power: "population has a critical impact on power in the long term; economic growth has a large impact in the medium term; and political capacity has its greatest impact in the short term" (Levy, 2008). China is challenging the US "influence in global politics, economics and culture that made the 20th century, by some measures, the "American Century"" (Kirby,

McFarlan, and Abrami, 2014; Taltow, 2014). The trend can be illustrated by three key components of national power.

China is the country with the largest population in the world. In their book, *The Size of Nations*, Alberto Alesina and Enrico Spolaore lay out the costs and benefits of going it alone. Scale has its advantage: bigger countries are easier to defend from foreign aggressors. When barriers to trade are high, a bigger domestic market allows for more internal specialization. Yet the bigger a country grows the more multitudes it contains (Alesina and Spolaore, 2005; The Economist, 2014).

While China moved some 500 million people out of poverty, America's middle class entered a period of stagnation (Stiglitz, 2015). An economic model that does not serve a majority of its citizens is not going to provide a role model for others to emulate. America should see the rise of China as a wake-up call to put our own affairs in order (Stiglitz, 2015). Yet scholars also argued that China is now mired in the infamous "middle-income trap" because of its chronic "innovation deficit." The only way out of the trap is through innovation—as Japan, South Korea, Singapore and Taiwan previously proved (Sambaugh, 2014).

However, Chinese management ideas are beginning to get the attention they deserve. Peter J. Williamson and Eden Yin of Cambridge University contribute an essay on "Accelerating Innovation: The New Challenge from China". Rather than focusing on technological breakthroughs, Chinese companies are finding new ways to innovate that reduce lead times and speed up problem solving. Their article suggests that the Chinese, like the post-war Japanese, have been doing a great deal of innovation under the radar (Williamson and Yin, 2014).

In another article titled "A Chinese Approach to Management," Thomas Hout and David Michael also demonstrate that the Chinese are becoming more creative as they seek to solve the problems of a rapidly advancing consumer economy (Hout and Michael, 2014). In addition, "China's success has also depended on its ability to be a 'fast follower,' copying foreign ideas and turning them into mass-market products...these are skills that will help them cater to the middle classes. Not just serve the poor; and to conquer new markets far beyond their home turf" (The Economist, 2014).

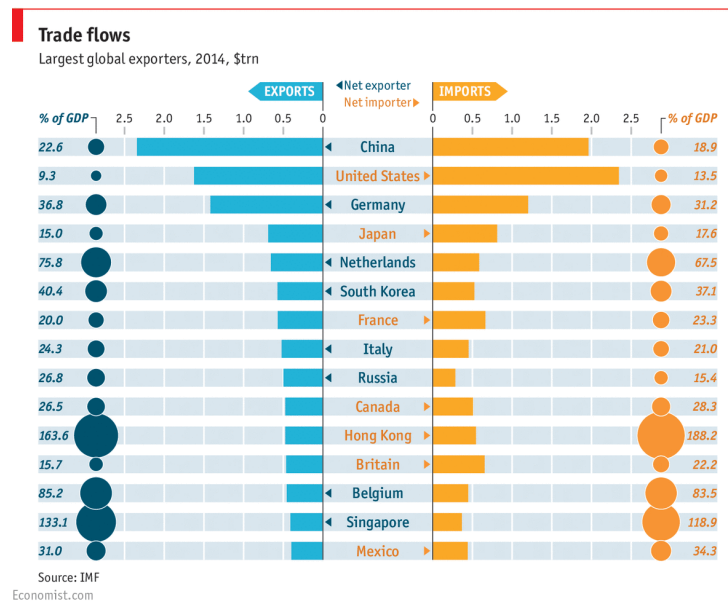
Regarding political capacity, China produced a highly competent state, staffed by first-rate civil servants chosen by examinations and capable of monitoring domestic and international affairs. According to Francis Fukuyama, "what we are seeing in China now is

the revival of this tradition after a century-long collapse: the Chinese Communist Party is reaching back into history to prove that you can create a competent state without the benefit of the Western traditions of democracy or the rule of law” (The Economist, 2014).

2. Level of Satisfaction

One of the Power Transition’s theoretical arguments falls squarely on one question: Is China now and will it be in the future a satisfied nation? If so, the probability of war between China and any regional or global competitors falls precipitously. Consequently, “America’s best move is to change the game in Asia, by offering to share power if China behaves responsibly” (The Economist, 2014). Since the 21st century, China has been more and more satisfied because the United States has shared more and more international power. Booming international trade has been one of the reasons why China has been more satisfactory (see Diagram 1).

Diagram 1



Source: *The Economist*, Oct. 6, 2015

<http://www.economist.com/blogs/graphicdetail/2015/10/global-trade-graphics>

In December 2001, China was allowed to join the World Trade Organization (WTO). In 2008, Chinese economist Justin Yifu Lin was appointed as Vice President of the World Bank. After 2011, China’s voting power in IMF increased to 6.068% from 3.803% since 2008. But “why

should China be satisfied with a bit more engagement when primacy is what it seeks? There is no guarantee that it will be” (The Economist, 2014).

In the public’s view, China long ago surpassed the United States as the world’s top economic power. According to the Pew Research Center’s survey in 2013, 48% say that China is the world’s leading economic power while only 31% say that it is the United States. That is, little has changed since 2009 (see Diagram 2). In 2010, China’s then foreign minister, Yang Jiechi, vocally pointed out that “China is a big country and other countries are small countries and that is a fact” (The Economist, 2014). It is evident that China wants more.

Diagram 2

Public Views China as Top Economic Power, U.S. as Leading Military Power				
<i>Which is the world's leading <u>economic</u> power?</i>	Feb 2008	Nov 2009	Jan 2011	Nov 2013
	%	%	%	%
China	30	44	47	48
United States	41	27	31	31
Japan	10	13	9	8
EU countries	9	5	6	5
Other (Vol.)/DK	<u>10</u>	<u>11</u>	<u>7</u>	<u>7</u>
	100	100	100	100
<i>Which is the leading <u>military</u> power?</i>				
United States	–	63	67	68
China	–	18	16	14
Russia	–	6	5	6
EU countries	–	2	3	2
Other (Vol.)/DK	–	<u>11</u>	<u>9</u>	<u>8</u>
		100	100	100
Source: America's Place in the World 2013. General Public. PEW 56 (Omnibus). Figures may not add to 100% because of rounding.				
PEW RESEARCH CENTER				

Source: “Public Sees U.S. Power Declining as Support for Global Engagement Slips”
Pew Research Center, Dec. 8, 2013 <http://www.people-press.org/2013/12/03/public-sees-u-s-power-declining-as-support-for-global-engagement-slips/12-3-2013-9/>

However, the United States is also dissatisfied. For instance, Barrack Obama criticized, “One thing I will say about China, though, is you also have to be pretty firm with them, because they will push as hard as they can until they meet resistance” (The Economist, 2014). He also insists that China has “been free riders for the last 30 years” (New York Times, 2014).

3. Utility of Alliance

Woosang Kim extends original Power Transition Theory by relaxing the restrictive assumption of the method of augmenting national power. He examines the occurrence of war in East Asia from 1860 to 1993. Results show that conflicts in East Asia occur under the same general conditions that lead to war in the international system and that war is most likely when the dissatisfied challenger approximates the dominant power. Contrary to the standard power transition formulation, the evidence suggests that the role of alliances is crucial for mitigating the risk of war. Because alliances play a central role in the risk of wars, the dangers of such a conflict in East Asia (or elsewhere) can be managed through skillful strategies of alignment and de-alignment (Kim, 2002).

To better grasp the utility of alliance, China has built different kinds of institutions: Conference on Interaction and Confidence-Building Measures in Asia (CICA, 1999), the Shanghai Co-operation Organization (SCO, 2001), and a Regional Comprehensive Economic Partnership (RCEP, 2012). Their shared characteristics are that China has a big and sometimes dominant role, and that the United States is not a member—and indeed was rebuffed when it sought to join the SCO as an observer. “China is not just challenging the existing world order...it is building a new one” (The Economist, 2014).

Foreign Direct Investment (FDI) is another useful tool to build alliance and is particularly helpful to explain the US-China competition in Latin America. The conventional wisdom holds that democracies enjoy advantages over autocracies when it comes to attracting FDI. But autocratic countries that attract substantial amounts of FDI exist. For example, during the last two decades, about half of the top 20 non-OECD host countries are nondemocratic.

Focusing on the role of commitment institutions by which host countries can commit their protection of foreign assets, Chungshik Moon argues that with longer time horizons, autocrats can provide stronger institutions to protect property rights. This allows them to attract more FDI. His study suggests that what matters to foreign investors is not regime type *per se* but specific institutional features of the host country. Insofar as host countries provide sound institutions to protect foreign assets, they would be able to attract more foreign investment (Moon, 2015).

III. End of The Monroe Doctrine

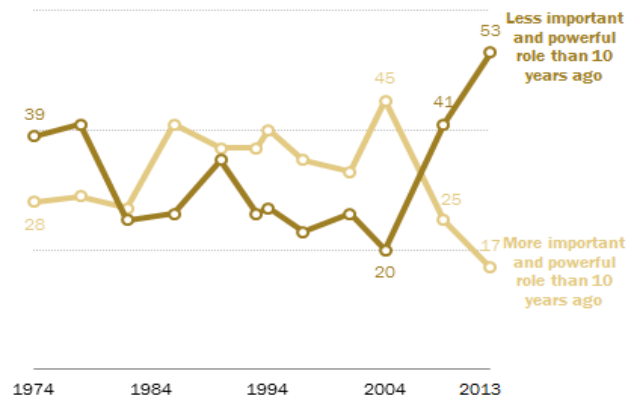
According to Jorge I. Domínguez, professor at Harvard University, there were two exogenous shocks that established Latin American international relations at the beginning of the 21st century. “The first was the growing distance between the region’s governments and the administration of U.S. President George W. Bush over many issues...The second was the dramatic entrance of the People’s Republic of China as a significant and, in some instances, political partner.” For him, “the twenty-first century may or may not be the ‘China century’ in Latin America but this first decade of the century surely is the ‘China decade’” (Domínguez, 2006). In fact, it was also the decade during which the United States began to drift away from the Monroe Doctrine. Two reasons explain the trend: US declining power and George W. Bush’s incapacity.

1. US Power Declines

According to a survey released in December 2013, the public sees U.S. power declining as support for global engagement slips to 40-year low (see Diagram 3). The public has also long been more likely to say that Barack Obama is “not tough enough” on foreign policy and national security (58% in 2015) than say that his approach is “about right” (34%, see Diagram 4). Moreover, in the past few years, the West has also lost confidence in the strength of the three props on which the post-Cold War world has been constructed: markets, democracy and American power. Gideon Rachman explains,

the faith in free markets was severely shaken by the financial crisis of 2008 and the subsequent Great Recession and has never really recovered...Democratic evangelism, meanwhile, has been undermined by the horrors unleashed by the Arab uprisings...[and] American power...looks less reliable than it did a decade ago (Financial Times, 2015).

Diagram 3

Views of U.S. Global Power Fall to 40-Year Low*U.S. role today as world leader is ...*

Source: America's Place in the World 2013. General public.
 "About as important a role as world leader" responses not shown. 1974-1990 data from
 Chicago Council on Foreign Relations.

PEW RESEARCH CENTER

Source: "Public Sees U.S. Power Declining as Support for Global Engagement Slips,"
 Pew Research Center, Dec. 8, 2013 <http://www.people-press.org/2013/12/03/public-sees-u-s-power-declining-as-support-for-global-engagement-slips/>

Diagram 4

Majority says Obama is 'not tough enough' on foreign policy*% saying when it comes to foreign policy and national security, Obama is ...*

	June 2009	April 2010	Sept 2012	Nov 2013	Aug 2014	Jan 2015	July 2015	Dec 2015
	%	%	%	%	%	%	%	%
Too tough	2	2	2	5	3	5	4	2
Not tough enough	38	47	41	51	54	55	53	58
About right	51	41	42	37	36	37	37	34
Don't know	8	10	15	6	7	3	3	6
	100	100	100	100	100	100	100	100

Source: Survey conducted Dec. 8-13, 2015.
 Figures may not add to 100% because of rounding.

PEW RESEARCH CENTER

Source: "Majority says Obama is 'not tough enough' on foreign policy,"
 Pew Research Center, Dec. 15, 2015 <http://www.people-press.org/2015/12/15/views-of-governments-handling-of-terrorism-fall-to-post-911-low/>

George W. Bush's policy toward Latin America was a fiasco for three reasons. First, the Bush administration has been treating the region as a "backyard" with identical interests as America. For Julia E. Sweig, "U.S. policies - whether on trade, aid, democracy, drugs or immigration - presumed that Latin Americans would automatically see U.S. interests as their own" (*Miami Herald*, 2005). Second, Washington made a strong push for Latin American support for the Iraqi war despite Latin American ambivalence (Hsiang, 2008). According to Wayne Smith, this is why "[America's] standing in Latin America has never been so low as it is now" (Eisenman and Kurlantzick, 2006). Third, Bush treats Cuba as if the Cold War never thawed. Jorge Domínguez correctly points out,

the Bush administration makes much more 'anti-Castro' noise than had been the norm even for Republican presidents in the past . . . [and] the Bush administration has hit hard the set of policies that touches on individual travel (Washington Post, 2007).

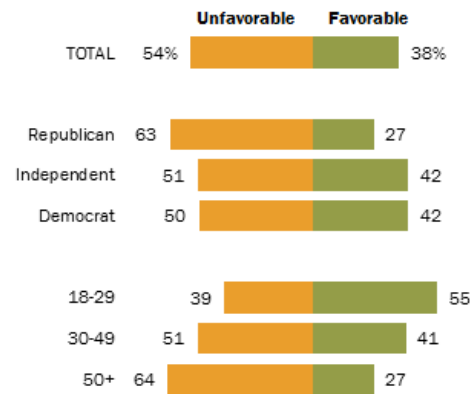
No wonder Peter Hakim, former President of Inter-American Dialogue, asks: Is Washington losing Latin America? For nearly a decade, US policy toward Latin America has been narrowly focused on a handful of issues, such as China's growing influence in the region and the power of Venezuelan President Hugo Chávez. Latin Americans want economic ties with the United States but feel slighted by Washington and uneasy about the U.S.'s role in the world. The costs of the estrangement will be high for both sides (Hakim, 2006).

Even though economic issues continue to shape how Americans see China, there is slightly less concern about these perceived threats than there was three years ago when Pew Research Center last asked these questions. However, more than six in ten (63%) gave China an unfavorable rating (Wike, 2015, see Diagram 5).

Diagram 5

Republicans and Older Americans More Negative toward China

U.S. views of China



Source: Spring 2015 Global Attitudes survey, Q12b.

PEW RESEARCH CENTER

Source: Pew Research Center, Sept. 13, 2015

<http://www.pewglobal.org/2015/09/09/americans-concerns-about-china-economics-cyberattacks-human-rights-top-the-list/>

2. De-Americanized Backyard

Under George W. Bush's presidency, Latin America had transformed into a de-Americanized backyard. In 2004, Washington chose to back former President of El Salvador Francisco Flores for the position of Secretary General of the Organization of American States (OAS), before ultimately withdrawing its support. The first round of voting gave an advantage to Mexican Foreign Minister Luis Ernesto Deberz, backed by a number of North and Central American countries, who ran against former Minister of the Interior of Chile, Mr. José Miguel Insulza, whose support came from most South American countries.

Near the end, Deberz withdrew, and Insulza was elected in May 2005. In the election, only Mexico abstained while Bolivia and Peru voted against Insulza because of their historic tensions with Chile (E-International Relations, 2014). It was the first time that a Secretary General was elected without being pre-approved by the U.S. Mr. Insulza was reelected in 2010 for a second five-year term (Doleac, 2015).

In May 2015, Uruguay's foreign minister from 2010-2015 Luis Almagro was elected as the new Secretary General. Several diplomatic achievements helped him getting elected, e.g.: receiving prisoners from Guantánamo, refugees from Syria, and helping lead reconstruction

efforts in an earthquake-shattered Haiti. However, in a written testimony to the Senate Foreign Relations Committee, Russ Dallen, a well-known investment banker and media owner in Venezuela, pointed out “Uruguay shared responsibility in letting the South American nation off the hook.” For him, Washington’s inability to harness the power of the OAS is “one of the biggest failures of the Obama administration” (Miami Herald, 2015).

The border dispute between Colombia and Ecuador in March 2008 provides another example of the trend. Because Colombia is America’s staunch ally, Venezuela also reacted. President Bush accused Hugo Chavez’s “provocative maneuvers” and said he stood by Bogotá and its fight against terrorism. This diplomatic crisis ended at a Rio Group summit on March 7, with a public reconciliation among the three countries involved. The OAS was totally marginalized and the United States had no role to play (Isacson, 2012).

The United States failed to build an alliance in the backyard not only under George W. Bush’s presidency, but also during the Obama presidency. Michael Dukakis, Democratic nominee for the 1988 presidential election, explains why:

We are members of the Organization of American States and are bound by its charter. That charter is clear. No member state has the right to interfere directly or indirectly in the internal affairs of another member state. If there are concerns about the state of democracy in Venezuela, the OAS is perfectly capable of handling it, and while that process can be frustrating at times, it certainly beats embargos that are both a violation of the OAS charter and are bound to fail as they have so miserably in Cuba (Dukakis, 2014).

According to a policy report titled *Remaking the Relationship: The United States and Latin America* in 2012 by Inter-American Dialogue,

US-Latin American relations have grown more distant. The quality and intensity of ties have diminished. Most countries of the region view the United States as less and less relevant to their needs—and with declining capacity to propose and carry out strategies to deal with the issues that most concern them” (Inter-American Dialogue, 2012).

On November 18, 2013, John Kerry gave a major speech at the Organization of American States, stressing the United States’ desire to re-engage with the region. He not only praised Assistant Secretary Roberta Jacobson, claiming that she “does such an outstanding job with respect to all of the Western Hemisphere”, but also mentioned that she has “just come back from China on a dialogue in China regarding the Western Hemisphere and Latin America

particularly.” More surprisingly, he announced: “The era of the Monroe doctrine is over” (Kerry, 2013). According to a survey released in December 2013 by the Pew Research Center, 52% want the United States to “mind its own business internationally,” the highest figure in five decades of polling (Diagram 6).

Diagram 6

Majority Says U.S. Should ‘Mind Its Own Business Internationally’

% agreeing that the U.S. should mind its own business internationally and let other countries get along the best they can on their own



Source: America's Place in the World 2013. General public: PEW2d (Omnibus). 1964-1991 data from Gallup.

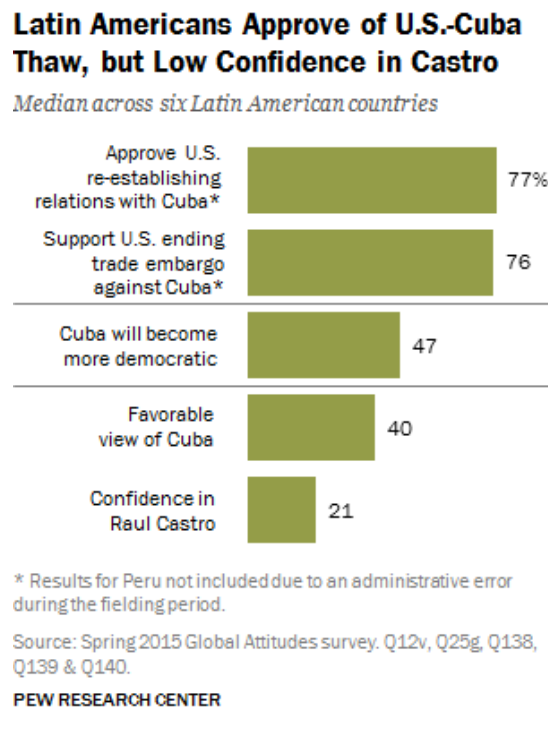
PEW RESEARCH CENTER

Source: “Public Sees U.S. Power Declining as Support for Global Engagement Slips”
Pew Research Center, Dec. 8, 2013

<http://www.people-press.org/2013/12/03/public-sees-u-s-power-declining-as-support-for-global-engagement-slips/>

In December 2014, the White House announced plans to normalize diplomatic relations with Cuba. The move was a clear effort by Washington to distinguish itself in a new international theater. As the United States formally re-establishes diplomatic ties with Cuba, people in Latin American nations approve of the action and support the U.S. ending its long-standing trade embargo against the island nation (a Pew Research survey, conducted in Argentina, Brazil, Chile, Mexico, Peru and Venezuela - see Diagram 7).

Diagram 7



Source: Pew Research Center, July 21, 2015

<http://www.pewglobal.org/2015/07/21/latin-americans-approve-of-u-s-re-establishing-diplomatic-ties-with-cuba/>

However, the gambit was eclipsed by the China-Celac Forum on Jan. 8~9, 2015 in Beijing. The Community of Latin American and Caribbean States, or Celac, “explicitly styles itself as an alternative to the U.S.-led Organization of American States and a ‘weapon against imperialism,’ aka [also known as] American influence” (Wall Street Journal, 2015).

When China is building alliance in Asia, such as Asian Infrastructure Fund, the U.S. is twisting arms so that those countries will not join. *The 2015 National Security Strategy*, released by The White House, witnesses Washington’s worry. It writes,

To meet these challenges, we are working with Canada and Mexico to enhance our collective economic competitiveness while advancing prosperity in our hemisphere. With Chile, Peru, Mexico, and Canada, we are setting new global trade standards as we grow a strong contingent of countries in the Americas that favor open trading systems to include TPP. We seek to advance our economic partnership with Brazil, as it works to preserve gains in reducing poverty and deliver the higher standards of public services expected by the middle class” (The White House, 2015).

IV. Beginning of China's Expansion

Responding to John Kerry's "Monroe doctrine" speech in November 2013, scholars criticized that he,

failed to mention the elephant in the room: the growing interactions of the region's most dynamic economies with China, a customer for raw materials but also an investor that competes with US companies in several sectors (The Guardian, 2013).

This section explores how China has expanded in Latin America since the 21st century. China has been rising in Latin America for two reasons.

The first is the relative decline in the economic and political pre-eminence of the United States after its brief moment of unchallenged power at the end of the cold war...The second factor is that many Latin American countries have become more self-confident and bent on asserting their diplomatic independence" (The Economist, 2009).

During Bush's first term, Washington had focused on urgent foreign issues such as counter-terror initiatives and nuclear proliferation. Latin America had been put on the back burner. By contrast,

under the slogan 'peaceful rising,' China is 'selling' itself to Africa and Latin America as the model for ending poverty. Its pitch is finding an audience among governments that have watched China's growth leap and their own stagnate while being lectured by the International Monetary Fund and patronized by aid agencies (Financial Times, 2006).

In the last 15 years, China has become a major economic presence in Latin America. Beijing sees Latin America "at least in part as an arena for strategic competition, one where China has the ability to significantly improve its geopolitical standing" (Wall Street Journal, 2015). Study finds that "Chinese FDI is influenced by trade flows and natural resources in host economies, including oil resources and ores and metals, while also being directed to markets with lower per capita income" (Tuman and Shirali, 2015). The former includes Argentina, Brazil, Chile, and Mexico. For the latter, the *example par excellence* is the Nicaragua Canal, a massive \$40 billion, 80-kilometer passageway for maritime transit between the Pacific and Atlantic Oceans.

1. Building Strategic Partners

Since 2000, Chinese presidents have visited Latin America six times, excluding Xi's two trips, these include: Jiang Zemin's visits in 2001 and 2002, and Hu Jintao's in 2004, 2005, 2008, and 2010. Over the course of these visits, Beijing has established, and in some cases, upgraded, "strategic partnerships" with Brazil, Venezuela, Mexico, Argentina, Peru, and Costa Rica. For China, "strategic partnership" with Latin America means

not only its desire to intensify its economic cooperation and political relations with nations in Latin America, but also its strategic goals of creating its own sphere of influence in the region and enhancing its 'hard' and 'soft' power in order to elevate China's status at the systemic level (Yu, 2015).

According to *People's Daily*, the quasi-authoritative commentary under the pen name "Zhong Sheng",

China-Latin America cooperation has become part of the most prominent change in global economy since the beginning of the 21st century: Mutual fueling among developing countries in terms of economic development has replaced complete reliance on Western countries in the past (Swaine, 2014).

China's interest in Latin America is clear: the region supplies the raw materials it craves and handily also provides markets for its manufactured goods (Financial Times, 2013). In June 2013, Xi Jinping's visit to Trinity and Tobago shows that China is also raising its strategic influence in the Caribbean as it takes advantage of the continuous US withdrawal from what George W. Bush called his country's "third border" (Financial Times, 2013). For Peter Hakim and Margaret Myers, "Perhaps the most ambitious project on the agenda is the two-Ocean Railway that would link Brazil to Peruvian ports on the Pacific. The new railroad would substantially reduce the time and cost required to get grains from Brazil's farmland to Chinese consumers" (Hakim and Myers, 2015).

However, China also faced challenges in the region. For instance, Chile is the first Latin American country to sign FTA with China. But study shows that even though the Chilean economy has benefitted, it also faces potential risks. To continue to benefit, Chile needs to boost exports in other potential export sectors (value-added products or services) and should attempt to attract more Chinese FDI to export industry. The export of raw materials (particularly nonrenewable ones) is not always sustainable in the long term (Gachúz, 2012).

A similar thing happened in Peru. Carol Wise argues that the Free Trade Agreements that China signed with Chile and Peru are more in expectation than in reality. She finds that,

even top Latin American negotiators were convinced that deepening trade relations with China would provide their countries with the opportunity to break free from the traditional comparative advantage relationships that have characterized their exports to North America and Europe. So, although the FTAs are only in their first decade, disappointment runs deep (Klinger, 2013).

2. Counterbalancing TPP

The US return to the Asia-Pacific region also poses an important challenge to China and could define the overall tone of the bilateral relationship. As one of the most important parts of Obama's "Return to Asia-Pacific" policy, TPP has become a new arena for US-China competition. Prior to the fall 2011 Asia Pacific Economic Forum (APEC) meeting in Hawaii, then-Secretary of State Hillary Clinton outlined a plan to transfer U.S. military, diplomatic, and economic resources from the Middle East to the Pacific, in what she called "America's New Pacific Century." Describing the pivot in militaristic terms as "forward-deployed diplomacy," Clinton hailed the TPP as a "benchmark for future agreements" leading to "a free trade area of the Asia-Pacific" (Ahn, 2014).

Richard N. Haass, President of the Council on Foreign Relations, also correctly points out,

more significant than the deployment of 2,500 marines in Australia is the direction of U.S. diplomacy vis-à-vis China and its neighbors, the availability of economic assistance to promote political and economic development in the region's poorer countries, and the ability to negotiate a new trade agreement (specifically the Trans-Pacific Partnership) as quickly and inclusively as possible (Haass, 2013).

At his 2013 California summit with Obama, President Xi expressed that "the vast Pacific has enough space for two large countries like the United States and China." But, "what China wants in East Asia seems akin to a Monroe Doctrine: a decrease in the influence of external powers that would allow it untroubled regional dominance" (The Economist, 2014).

Consequently, many Latin American countries may see the TPP as a hedge. That is why the presidents of Mexico and Peru, two Latin American countries under TPP's negotiation, were invited as guest speakers during the Annual Conference 2013 of the Boao Forum for

Asia. However, an inconvenient truth for Mexico is the fact that it has very little integration with Asia, with roughly 75 percent of its exports still destined for the United States. The TPP is unlikely to shift the situation to favor China.

Stephen Walt correctly points out, “a powerful China will not want the United States to have close alliances and a large military presence near its borders, and it will undoubtedly try to push U.S. forces out of the Asia-Pacific region” (New York Times, 2015). As one of the most open trade blocs in Latin-America, Pacific Alliance becomes China’s target for counterbalancing the TPP. For Chinese scholars Chai Yu and Kong Shuai,

it deserves special attention from China in terms of China’s strategy of enhancing deeper development between China and Latin America, and it requires China to cope with the changes of rules in international and regional integration (Yu and Shuai, 2014).

V. A More Assertive Latin America

Based on the analyses above, it becomes clear that “partnering with China seems to be CELAC’s way of hedging against U.S. dominance in the region — just as some states in the Asia-Pacific are edging closer to the U.S. in a bid against growing Chinese power” (Diplomat, 2014). This section examines how “such acquiescence makes all the more the responsibility of those states to think clearly about what kind of relationship with China is in their interest, and that of the region” (Eillis, 2014).

1. Establishing CELAC

In July 2010, the Community of Latin American and Caribbean States (Comunidad de Estados Latinoamericanos y Caribeños, CELAC) selected President of Venezuela Hugo Chávez and President of Chile Sebastián Piñera as co-chairs of the forum to draft statutes for the organization. CELAC was formally created on December 3, 2011, in Venezuela, with the signature of The Declaration of Caracas. It consists of 33 sovereign countries in the Americas representing roughly 600 million people. Two important countries absent from the bloc are Canada and the United States.

CELAC exemplifies not only the deepening integration within the Americas, but also the reduction of the once overwhelming influence of the United States. It is seen as an alternative to the Organization of American States (OAS), the regional body organized largely by Washington in 1948.

The latest example of Latin America's assertiveness is CELAC in order to denounce the U.S.'s attack on Venezuelan democracy. On February 9, 2015, a special commission of Latin America's two largest organizations, CELAC and UNASUR (which represents South American countries) met in Montevideo, Uruguay, to analyze the relationship between the United States and Venezuela. According to Larry Birns, Director of the Council on Hemispheric Affairs,

Washington is basically being berated by Latin America for its campaign to pressure and to otherwise weigh-in against the region's sovereignty and its inalienable right to conduct its own economic and political policies according to its own writ. It appears that Washington believes it can carve away, in silence, the rest of Latin America, including Cuba, from Venezuela. But the statements coming out of UNASUR and CELAC should serve as a strong reminder that Latin American unity remains intact (Mills, 2015).

Pacific Alliance

As one of the most important regional organizations, Mercosur, established in 1991, is an economic and political integration between Argentina, Brazil, Paraguay, and Uruguay. Its purpose is to promote free trade and the fluid movement of goods, people, and currency. However, since Venezuela's entry in 2012, "it reveals Mercosur's political weakness at a time of precarious protection of democratic rights in Venezuela," according to Elsa Cardozo, a professor at Central University in Venezuela (New York Times, 2012).

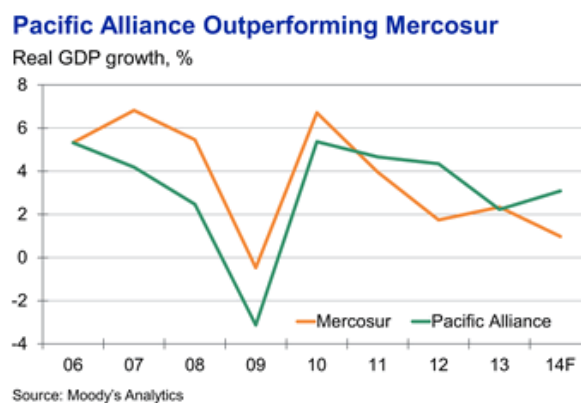
Consequently, some Latin American countries tried to build a more effective alliance within the region. Free trade supporters have been cheering for the establishment of Pacific Alliance by Mexico, Colombia, Peru and Chile in June 2012, because "the bloc accounts for more than a third of Latin America's gross domestic product and has moved quickly on a path to integrate their economies since it was formally established" (La Tercera, 2014).

Pacific Alliance "is based on affinity, rather than proximity" (The Economist, 2013). This new trend has divided Latin America into two parts: one that faces the Atlantic and tends to protection and another that faces the Pacific and supports free-trade. More importantly, more than half of its members have already individually subscribed FTAs with China and they collectively organized a business forum in Shanghai to attract Chinese investment for key projects in November, 2013.

It is reasonable to believe the Pacific-facing countries have the edge, while much of the

continent is “paying the costs of exaggerated protectionism and...irresponsible policy,” according to Alan Garcia, Peru’s former president (Wall Street Journal, 2014). Since its establishment, the Pacific Alliance has performed better economically than the Mercosur. Boosted by high levels of foreign investment and low inflation, the five Pacific Alliance members, with a collective GDP of \$2.2 trillion, are expected to grow 3.3 percent in 2014, and 4 percent in 2015 (Diagram 8).

Diagram 8



Source: “Why Mercosur Lags the Pacific Alliance,” *Moody's Analytics*, July 16, 2014
<http://www.economy.com/dismal/analysis/free/248931>

VI. Conclusion

Since the 21st century, the US influence has declined in Latin America and China has successfully built alliances through trade, foreign aid, and direct investment. From the analysis above, we can deduce that a power transition from the U.S. to China in the region is brewing.

In their 54-page report titled *Revising U.S. Grand Strategy Toward China*, Robert D. Blackwill and Ashley J. Tellis warned, “U.S. grand strategy toward China will be seriously weakened without delivering on the TPP” (Blackwill and Tellis, 2015). The silver lining is the TPP’s first round of negotiations which was concluded in October 2015. It may help the U.S. to put the brake on China’s rise in Latin America.

It is true that some left-wing countries, like Venezuela, Cuba, Ecuador and Bolivia, continue to blast the United States as a meddling imperial bully while courting China as their

preferred commodity market and creditor. But “the TPP could open up new markets for these three Latin American countries [i.e. Mexico, Peru, Chile] and help alleviate the impact of the slowdown in the Chinese economy,” according to Michael Shift, President of Inter-American Dialogue (Washington Post, 2015).

It is also true that China is still miles away from matching America’s international political reach. But Beijing’s diplomatic aggressiveness in the region has overshadowed that of Washington. China’s grand strategy toward Latin America has three goals.

The first goal is promoting South-South Relations. Take Asian Infrastructure Investment Bank (AIIB) as an example. Even the “One Belt, One Road” initiative does not specifically affect Latin America, but, Brazil joining the AIIB exemplifies of the locus of power shifting. However, there are divisive issues that prevent China from being completely accepted in Latin America. Politically, Latin America has embraced democratic governance norms and in a much more complete way than Africa has. “In many ways, this has meant that Chinese commercial engagement with Latin America has been far more superficial than Chinese interactions with Africa” (Phoenix Weekly, 2015). China needs to revise its “going-out” policy.

The second goal is ensuring food/energy security. As the second-biggest economy with the largest population in the world, China has a boosting demand. In 2011, China surpassed the U.S. and became the biggest importer of agricultural products in the world. In April 2015, China became the largest importer of crude oil, surpassing the U.S. The main purpose of Chinese Premier Li Keqiang’s visit to Latin America in May 2015 was to endorse and promote a Chinese-built cross-Andes railroad that would allow Brazilian ore and soya to be shipped from Pacific ports in Peru to Asia, bypassing the U.S.-dominant Panama Canal (Financial Times, 2015).

The third goal is accelerating financial internationalization. Beijing understands clearly that its endeavor to separate itself from the influence of the U.S. dollar will be stillborn unless it can nurture a viable “renminbi zone” to replace it. Improving the ability to conduct international RMB transactions is an essential component of China’s capital account and exchange rate liberalization process, as well as of its “Going Out” policy and the OBOR initiative (The Diplomat, 2015). During Li’s visit, the People’s Bank of China named China Construction Bank Co. as the yuan-clearing bank in Chile, and allocated 50 billion yuan (\$8.1

billion) in Renminbi Qualified Foreign Institutional Investor quotas. These actions will accelerate the process of internationalizing the RMB.

Some policy implications will be illustrated for the United States, China, and Latin America. For the United States, Beijing's new footprint in the Western Hemisphere poses little immediate or direct threat to the United States. However, China's increasing economic relations with Latin America may enhance Beijing's utility of alliance. It will accelerate Latin America's power transition from the US to China.

For China, Beijing needs to overcome at least two challenges. The first challenge is to prevent the growing trade with Latin America from "reproducing and entrenching a centre-periphery trade pattern in which China emerges as a new centre and the countries of the Latin Americas and Caribbean region as a new periphery" (Rosales and Kuwayama, 2012).

The second challenge is that falling commodity prices are straining Beijing's love affairs with the region. For instance, in January 2015, Venezuelan President Nicolás Maduro has announced \$20bn worth of investment from China. But left unsaid was whether he got what he came for: a financing lifeline from his largest creditor. In fact, for the China-Venezuelan relations, "Everyone is watching to see how they deal with defaults. The Chinese have not experienced it yet" (Financial Times, 2015). China will be a Holy Grail or Poisoned Chalice for Latin America depends on how Beijing revises its "going-out" policy.

For Latin America, "with both the U.S. and China jockeying for influence in a world where political power relations are changing, Latin America has the most to gain" (Cerna, 2011). Within Latin America, a successful Pacific Alliance is likely to create a powerful counterweight to the Mercosur's retrograde protectionism and statism.

Since US Secretary of State John Kerry announced that "the era of the Monroe Doctrine is over" in 2013, Latin American countries have a greater degree of freedom in foreign policy. TPP provides a new arena for seeking their national interests. However,

rather than deepening trade ties within the region, the TPP is serving to expose and exacerbate underlying political and economic fractures, raising questions about how deep Latin American trade cooperation can be, and whether the Americas are fated to continue to be divided along trade policy lines (Huffington Post, 2013).

References

- Ahn, Christine. 2014. "Open Fire and Open Markets: The Asia-Pacific Pivot and Trans-Pacific Partnership." *Foreign Policy in Focus*. Jan. 14. Available at <http://fpif.org/open-fire-open-markets-asia-pacific-pivot-trans-pacific-partnership/>. [Accessed on May 31, 2015]
- Alesina, Alberto and Enrico Spolaore. 2005. *The Size of Nations*. The MIT Press.
- Berman, Ilan. 2015. "China's Newest Sphere of Influence." *The Wall Street Journal*. Jan. 22. Available at <http://www.wsj.com/articles/ilan-berman-chinas-newest-sphere-of-influence-1421949459>. [Accessed on May 31, 2015]
- Blackwill, Robert D. and Ashley J. Tellis. 2015. *Revising U.S. Grand Strategy Toward China*. Council on Foreign Relations. Available at http://carnegieendowment.org/files/Tellis_Blackwill.pdf. [Accessed on May 31, 2015]
- Cerna, Michael. 2011. "China's growing Presence in Latin America: Implications for the U.S. and Chinese Presence in the Region." *China Currents*. 10(1). Available at http://www.chinacenter.net/2011/china_currents/10-1/chinas-growing-presence-in-latin-america-implications-for-u-s-and-chinese-presence-in-the-region/. [Accessed on May 31, 2015]
- Chai, Yu and Kong Shuai. 2014. "Pacific Alliance: The New Development of Latin American Economic Integration." *Nankai Journal* (Philosophy, Literature and Social Science Edition). 4: 28-43. Available at http://en.cnki.com.cn/Article_en/CJFDTOTAL-LKXB201404006.htm. [Accessed on May 31, 2015]
- Davis, Leslye, A.J. Chavar, Abe Sater and David Frank. 2014. "Exclusive Interview: Obama on the World." *The New York Times*. Aug. 10. Available at <http://www.nytimes.com/video/opinion/100000003048414/obama-on-the-world.html>. [Accessed on Aug. 31, 2014]
- Doleac, Clément. 2015. "Between Independence or Disappearance: The Organization of American States and the Challenge of the 2015 Elections." *Council on Hemispheric Affairs*. Available at <http://www.coha.org/between-independence-or-disappearance-the-organization-of-american-states-and-the-challenge-of-the-2015-elections/>. [Accessed on May 31, 2015]
- Domínguez, Jorge I. 2006. "China and Latin America: Shared Gains." *Working Paper, Inter-American Dialogue*. June. Available at <http://archives.thedialogue.org/PublicationFiles/china.pdf>. [Accessed on May 31, 2015]
- Dukakis, Michael. 2014. "World Peace or Perpetual War: The Choice Ahead." *Participation*. 38(1):6-9. Available at https://www.ipsa.org/sites/default/files/participation/participation_38-1_web.pdf. [Accessed on May 31, 2015]
- Eillis, R. Evan. 2014. "The China-CELAC Forum: Collective Action with the New Patron in America's Backyard." *Guanxi: Latin America/Caribbean & China*.
- Eisenman, Joshua and Joshua Kurlantzick. 2006. "China's Africa Strategy." *Current History*. 105(691): 219-224.

Ferchen, Matt. 2015. "Chinese Diplomacy in Latin America and Africa: Not Two Sides of the Same Coin." *Phoenix Weekly*. March 27. Available at <http://carnegietsinghua.org/2015/03/27/chinese-diplomacy-in-latin-america-and-africa-not-two-sides-of-same-coin/i8fv>. [Accessed on May 31, 2015]

Finchelstein, Federico and Pablo Piccato. 2013. "Latin America sees straight through John Kerry's 'Monroe' speech." *The Guardian*. Nov. 21. Available at <http://www.theguardian.com/commentisfree/2013/nov/21/latin-america-john-kerry-monroe-doctrine-speech>. [Accessed on May 31, 2015]

Flores-Macías, Gustavo A. and Sarah Kreps. 2013. "The Foreign Policy Consequences of China's Economic Rise: A Study of China's Commercial Relations with Africa and Latin America, 1992-2006." *Journal of Politics*. 75(2): 357-371.

Gachúz, Juan Carlos. 2012. "Chile's Economic and Political Relationship with China." *Journal of Current Chinese Affairs*. 41(1):133-154. Available at <http://journals.sub.uni-hamburg.de/giga/jcca/article/view/497>. [Accessed on May 31, 2015]

Haass, Richard N. 2013. "The Irony of American Strategy." *Foreign Affairs*. 92(3): 57-67. Available at <http://www.foreignaffairs.com/articles/139106/richard-n-haass/the-irony-of-american-strategy>. [Accessed on May 31, 2015]

Hakim, Peter. 2006. "Is Washington Losing Latin America?" *Foreign Affairs*. 85(1):39-46. Available at <http://www.foreignaffairs.com/articles/61372/peter-hakim/is-washington-losing-latin-america>. [Accessed on May 31, 2015]

Hakim, Peter, and Margaret Myers. 2015. "China and Latin America in 2014: Deeping Relations." *China Policy Review*. Jan. 12. Available at <http://www.thedialogue.org/page.cfm?pageID=32&pubID=3719>. [Accessed on May 31, 2015]

Hawksley, Humphrey. 2006. "China's new Latin American revolution." *The Financial Times*. April 4. Available at <http://www.ft.com/intl/cms/s/2/ad142990-c407-11da-bc52-0000779e2340.html#axzz3SB8aFNjV>. [Accessed on May 31, 2015]

Hornby, Lucy, and Andres Schipani. 2015. "China's courtship of Latin America tested." *The Financial Times*. Jan. 8. Available at <http://www.ft.com/intl/cms/s/85ae672e-96e6-11e4-922f-00144>. [Accessed on May 31, 2015]

Hornby, Lucy, and Andres Schipani. 2015. "China tilts towards liberal Latin America." *The Financial Times*. May 11. Available at <http://www.ft.com/intl/cms/s/0/b73a606c-f46b-11e4-bd16-00144feab7de.html>. [Accessed on May 31, 2015]

Hout, Thomas and David Michael. 2014. "A Chinese Approach to Management." *Harvard Business Review*. Sept.:34-37. Available at <http://www.hrci.org/docs/default-source/certified-publication/made-in-china--a-chinese-approach-to-talent-management.pdf>. [Accessed on May 31, 2015]

Hsiang, Antonio C. 2008. "China Challenges US in Latin America." *Tamkang Journal of International Affairs*. 11(6): 121-152.

Hsu, Sara. 2015. "China: New System a Step Forward on RMB Internationalization." *The Diplomat*. June 19. Available at <http://thediplomat.com/2015/06/china-new-system-a-step-forward-on-rmb-internationalization/>. [Accessed on May 31, 2015]

Huang Bo Ning, "Yan Xue Tong Da Zhong Ping: Zhong Mei Xin Xing Da Guo Guan Xi Jan Bu Qi Lai." (Yan Xue-Tong answers CRNA: PRC-US New Great Power Relations cannot be established) Zhong Ping She (*China Review News Agency*), Jan. 15, 2015. 黃博寧,「閻學通答中評：中美新型大國關係建不起來」, 中評社, 2015年1月15日. Available at <http://hk.crntt.com/doc/1035/7/4/4/103574468.html>. [Accessed on May 31, 2015]

Isacson, Adam. 2012. "Conflict Resolution in the Americas: The Decline of the OAS." *World Politics Review*. May 22. Available at <http://www.worldpoliticsreview.com/articles/11979/conflict-resolution-in-the-americas-the-decline-of-the-oas>. [Accessed on May 31, 2015]

Kerry, John. 2013. "Remarks on U.S. Policy in the Western Hemisphere." U.S. Department of State. Nov. 18, 2013. Available at <http://www.state.gov/secretary/remarks/2013/11/217680.htm>. [Accessed on Nov 30, 2013]

Kim, Woosang. 2002. "Power parity, alliance, dissatisfaction, and wars in East Asia, 1860-1993." *Journal of Conflict Resolution*. 46(5): 654-671.

Kirby, William C., F. Warren McFarlan and Regina M. Abrami. 2014. *Can China Lead? Reaching the Limits of Power and Growth*. Harvard Business Review Press.

Klinger, Julie. 2013. "China and Latin America." *Berkeley Review of Latin American Studies*. Spring: 44-46. Available at <http://clas.berkeley.edu/research/china-and-latin-america-problems-or-possibilities>. [Accessed on May 31, 2015]

Inter-American Dialogue. 2012. *Remaking the Relationship: The United States and Latin America*. Available at <http://www.thedialogue.org/PublicationFiles/IAD2012PolicyReportFINAL.pdf>. [Accessed on May 31, 2015]

Lemke, Douglas. 2002. *Regions of War and Peace*. Cambridge: Cambridge University Press.

Levy, Jack S. 2008. "Power Transition Theory and the Rise of China." In *China's Ascent: Power, Security, and the Future of International Politics*. eds. Robert S. Ross and Zhu Feng, Ithaca and London: Cornell University Press.

Luhnow, David. 2014. "The Two Latin Americas." *The Wall Street Journal*. Jan. 3. Available at <http://www.wsj.com/articles/SB10001424052702303370904579296352951436072>. [Accessed on May 31, 2015]

Mander, Benedict and Robin Wigglesworth. 2013. "China steps up Caribbean strategy." *The Financial Times*. May 20. Available at <http://www.ft.com/intl/cms/s/0/678d99d2-bbc7-11e2-a4b4-00144feab7de.html#axzz3SB8aFNjV>. [Accessed on May 31, 2015]

Mills, Frederick B. 2015. "Latin America unites against U.S. attack on Venezuelan Democracy." COHA. Feb. 9. Available at <http://www.coha.org/latin-america-unites-against-u-s-attack-on-venezuelan-democracy/>. [Accessed on May 31, 2015]

Miroff, Nick. 2015. "Pacific trade deal shows Latin America's new ideological divide." *The Washington Post*. Oct. 6. Available at <https://www.washingtonpost.com/news/worldviews/wp/2015/10/06/pacific-trade-deal-shows-latin-americas-new-ideological-divide/>. [Accessed on May 31, 2016]

Moon, Chungshik. 2015. "Foreign Direct Investment, Commitment Institutions, and Time Horizon: How Some Autocrats Do Better than Others." *International Studies Quarterly*. 59(2): 344-356.

O'Grady, Mary Anastasia. 2013. "The Next Big Free-Trade Breakthrough." *The Wall Street Journal*. July 14. Available at <http://www.wsj.com/articles/SB10001424127887324399404578588121962343016>. [Accessed on May 31, 2015]

Organski, A.F.K. and Jacek Kugler. 1980. *The War Ledger*. Chicago: Chicago University Press.

Poushter, Jacob. 2015. "Latin Americans Approve of U.S. Re-establishing Diplomatic Ties with Cuba." Pew Research Center, July 21. Available at <http://www.pewglobal.org/2015/07/21/latin-americans-approve-of-u-s-re-establishing-diplomatic-ties-with-cuba/>. [Accessed on May 31, 2016]

Oppenheimer, Andrés. 2005. "2005: U.S. slipped as China rose in Latin America." *The Miami Herald*. Dec. 25.

Rachman, Gideon. 2015. "West loses intellectual self-confidence." *The Financial Times*. January 5. Available at <http://www.ft.com/intl/cms/s/0/18f0a1ec-9277-11e4-b213-00144feabdc0.html>. [Accessed on May 31, 2015]

Romero, Simon. 2012. "With Brazil as Advocate, Venezuela Joins Trade Bloc." *The New York Times*. August 1. Available at <http://www.nytimes.com/2012/08/01/world/americas/mercosur-trade-bloc-admits-venezuela-as-full-member.html>. [Accessed on May 31, 2015]

Rosales, Osvaldo and Mikio Kuwayama. 2012. *China and Latin American and the Caribbean: building a strategic economic and trade relations*. CEPAL. Available at <http://www.cepal.org/en/publications/china-and-latin-america-and-caribbean-building-strategic-economic-and-trade>. [Accessed on May 31, 2015]

Sánchez, Marcela. 2007. "Too Little, Too Late for Cuba?" *The Washington Post*. June 15. Available at <http://www.washingtonpost.com/wp-dyn/content/article/2007/06/14/AR2007061401567.html>. [Accessed on May 31, 2015]

Sánchez W., Alejandro, and Kelly Morrison. 2014. "The Future of the Organization of American States." *E-International Relations*. August 28. Available at <http://www.e-ir.info/2014/08/28/the-future-of-the-organization-of-american-states/>. [Accessed on May 31, 2015]

Shambaugh, David. 2014. "The Illusion of Chinese Power." *The National Interest*. June 25. Available at <http://nationalinterest.org/feature/the-illusion-chinese-power-10739>. [Accessed on May 31, 2015]

Shifter, Michael. 2014. "The Promise of a Pacific Alliance." *La Tercera*. Feb. 16. Available at <http://www.thedialogue.org/page.cfm?pageID=32&pubID=3512>. [Accessed on May 31, 2015]

Stackhouse, Tim. 2014. "The Strategic Dimension of Chinese Engagement with Latin America." *Inter-American Dialogue*. Jan. 9. Available at <http://www.thedialogue.org/page.cfm?pageID=32&pubID=3480>. [Accessed on May 31, 2015]

Stiglitz, Joseph E. 2015. "The Chinese Century." *Vanity Fair*. Jan. Available at <http://www.vanityfair.com/news/2015/01/china-worlds-largest-economy>. [Accessed on May 31, 2015]

Swaine, Michael D. 2014. "Xi Jinping's Trip to Latin America." *China Leadership*. Hoover Institute. 45. Available at http://www.hoover.org/sites/default/files/research/docs/clm45ms-xi_jinpings_trip_to_latin_america.pdf. [Accessed on May 31, 2015]

Tammen, Ronald L. and Jacek Kugler. 2006. "Power Transition and China-US Conflicts." *The Chinese Journal of International Politics*. 1(1):35-55.

Tatlow, Didi Kirsten. 2014. "Can China Lead?" *The New York Times*. June 25. Available at <http://sinosphere.blogs.nytimes.com/2014/06/25/q-and-a-william-c-kirby-on-can-china-lead/>. [Accessed on May 31, 2015]

The Economist. 2015. "The dragon and the gringo." Jan. 15. Available at <http://www.economist.com/news/americas/21639549-latin-americas-shifting-geopolitics-dragon-and-gringo>. [Accessed on May 31, 2015]

The Economist. 2014. "Goldilocks nationalism." Sept. 27. Available at <http://www.economist.com/node/21620204/>. [Accessed on May 31, 2015]

The Economist. 2014. "The End of Harmony." Sept. 27. Available at <http://www.economist.com/news/books-and-arts/21620053-how-benefits-political-order-are-slowly-eroding-end-harmony>. [Accessed on May 31, 2015]

The Economist. 2014. "Pax Sinica." Sept. 20. Available at <http://www.economist.com/news/asia/21618866-china-trying-build-new-world-order-starting-asia-pax-sinica>. [Accessed on May 31, 2015]

The Economist. 2014. "The China Wave." Sept. 13. Available at <http://www.economist.com/news/business/21616974-chinese-management-ideas-are-beginning-get-attention-they-deserve-china-wave>. [Accessed on May 31, 2015]

The Economist. 2014. "What China Wants." Aug. 23. Available at <http://www.economist.com/news/leaders/21613263-after-bad-couple-centuries-china-itching-regain-its-place-world-how-should>. [Accessed on May 31, 2015]

The Economist. 2014. "The Economist interviews Barack Obama: The president on dealing with Russia." Aug. 2. Available at <http://www.economist.com/blogs/democracyinamerica/2014/08/economist-interviews-barack-obama-2>. [Accessed on May 31, 2015]

The Economist. 2013. "One model, two interpretations." Sept. 28. Available at <http://www.economist.com/news/china/21586849-relabelling-relations-between-china-and-america-has-not-resolved-underlying-tensions-one-model>. [Accessed on May 31, 2015]

The Economist. 2013. "The Gated Global." Oct. 12. Available at <http://www.economist.com/news/special-report/21587384-forward-march-globalisation-has-paused-financial-crisis-giving-way>. [Accessed on May 31, 2013]

The Economist. 2013. "A continental divide." May 18. Available at <http://www.economist.com/news/americas/21578056-region-falling-behind-two-alternative-blocks-market-led-pacific-alliance-and>. [Accessed on May 31, 2013]

The Economist. 2009. "The dragon in the backyard." Aug. 13. Available at <http://www.economist.com/node/14209932>. [Accessed on May 31, 2013]

The Guardian. 2013. "Latin America sees straight through John Kerry's 'Monroe' speech." November 21. Available at <http://www.theguardian.com/commentisfree/2013/nov/21/latin-america-john-kerry-monroe-doctrine-speech>. [Accessed on December 2, 2013]

Tiezzi, Shannon. 2014. "China's Push Into 'America's Backyard'." *The Diplomat*. Feb. 8. Available at <http://thediplomat.com/2014/02/chinas-push-into-americas-backyard/>.

Tuman, John P. and Majid Shirali. 2015. "The Political Economy of Chinese Foreign Direct Investment in Developing Areas." *Foreign Policy Analysis*. Jan. 35-55.

Wagner, Daniel and Nicholas Parker. 2013. "Is the Trans-Pacific Partnership the Solution to Latin America's Fractured Trade Regime?" *Huffington Post*. May 16. Available at http://www.huffingtonpost.com/daniel-wagner/is-the-transpacific-partn_b_3284797.html. [Accessed on May 31, 2015]

Walt, Stephen M. 2015. "Dealing with a Chinese Monroe Doctrine." *The New York Times*. Feb. 11. Available at <http://www.nytimes.com/roomfordebate/2012/05/02/are-we-headed-for-a-cold-war-with-china/dealing-with-a-chinese-monroe-doctrine>. [Accessed on May 31, 2015]

Webber, Jude. 2013. "China: can Mercosur members agree?" *The Financial Times*. July 11. Available at <http://blogs.ft.com/beyond-brics/2013/07/11/china-can-mercotur-members-agree/>. [Accessed on May 31, 2015]

White, Hugh. 2014. "How China and the US can avoid a catastrophic clash." *The Christian Science Monitor*. June 18. Available at <http://www.csmonitor.com/Commentary/Global-Viewpoint/2014/0618/How-China-and-the-US-can-avoid-a-catastrophic-clash>. [Accessed on May 31, 2015]

Wike, Richard. 2015. "Americans' Concerns about China: Economics, Cyberattacks, Human Rights Top the List." Pew Research Center, Sept. 13. Available at <http://www.pewglobal.org/2015/09/09/americans-concerns-about-china-economics-cyberattacks-human-rights-top-the-list/>. [Accessed on May 31, 2015]

Williamson, Peter J. and Eden Yin. 2014. "Accelerating Innovation: The New Challenge from China." *MIT Sloan Management Review*. Summer: 27-34. Available at <http://sloanreview.mit.edu/article/accelerated-innovation-the-new-challenge-from-china/>. [Accessed on May 31, 2015]

Wyss, Jim. 2015. "As a Uruguayan is poised to head the OAS, questions swirl about Venezuela." *The Miami Herald*. March 17. Available at <http://www.miamiherald.com/news/nation-world/world/americas/article15196958.html>. [Accessed on May 31, 2015]

Yu, Lei. 2015. "China's strategic partnership with Latin America: a fulcrum in China's rise." *International Affairs*. 91(5):1047-1068. Available at <http://onlinelibrary.wiley.com/doi/10.1111/1468-2346.12397/abstract>. [Accessed on May 31, 2016]

Zegart, Amy B. 2014. "Grand Illusions." *Hoover Digest*. 3:35-39.

Zheng, Bijian. 2005. "China's 'Peaceful Rise' to Great-Power Status." *Foreign Affairs*. 84(5):18-24. Available at <http://www.foreignaffairs.com/articles/61015/zheng-bijian/chinas-peaceful-rise-to-great-power-status>. [Accessed on May 31, 2015]

2015 National Security Strategy. 2015. The White House. Available at http://www.whitehouse.gov/sites/default/files/docs/2015_national_security_strategy_2.pdf. [Accessed on March 31, 2015]